STATE OF WASHINGTON DEPARTMENT OF FINANCIAL INSTITUTIONS SECURITIES DIVISION

IN THE MATTER OF DETERMINING Whether there has been a violation of the Securities Act of Washington by: Stages Financial, LLC, CRD 298286; Mark Anders Christensen, CRD 5562773	 Order No.: S-19-2684-19-TO01 SUMMARY ORDER TO SUSPEND REGISTRATION AND NOTICE OF INTENT TO REVOKE REGISTRATIONS, IMPOSE A FINE, AND CHARGI COSTS 	
Respondents.)	

THE STATE OF WASHINGTON TO:

STAGES FINANCIAL, LLC, CRD 298286 MARK ANDERS CHRISTENSEN, CRD 5562773

STATEMENT OF CHARGES

Please take notice that the Securities Administrator of the state of Washington has reason to believe that Respondents have violated the Securities Act of Washington. The Securities Administrator believes those violations justify the entry of an order summarily suspending STAGES FINANCIAL, LLC's investment adviser registration and MARK ANDERS CHRISTENSEN's investment adviser representative registration and giving notice of the intent to revoke Respondents' registrations, to impose a fine, and to charge costs pursuant to RCW 21.20.110. The Securities Administrator finds that a delay in suspending Respondents' registrations would be hazardous to the investors and to the public interest and that this Summary Order should be entered immediately. The Securities Administrator finds as follows:

TENTATIVE FINDINGS OF FACT

Respondents

1. Stages Financial, LLC, ("Stages Financial") is registered as a limited liability company investment adviser with the Washington State Securities Division. Stages Financial's investment adviser Central Registration Depository ("CRD") number is 298286. The Securities Division file number is 3000259092.

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2. Mark Christensen is the managing member of Stages Financial. He has been registered with the Securities Division since 2008. His CRD number is 5562773.

Nature of the Conduct

- 3. Each investment adviser registered with the Securities Division must make annual filings with the director after the investment adviser's fiscal year-end.
- 4. An investment adviser must, under WAC 460-24A-060, file with the Securities Division a fiscal year-end balance sheet within 120 days following the end of the fiscal year-end. The Securities Division reviews these balance sheets to determine whether the investment adviser meets the minimum financial requirements as set forth in WAC 460-24A-170.
- 5. Stages Financial has a fiscal year-end of December 31. Stages Financial's 2018 year-end balance sheet was due by April 30, 2019.
- 6. In addition, an investment adviser must, under WAC 460-24A-205, file an annual updating amendment to its Form ADV within 90 days of its fiscal year-end. This annual amendment must include any changes to Form ADV Parts 1 and 2. The Securities Division reviews the annual updates to Form ADV to determine whether the investment adviser is making necessary disclosure to investors and track where the adviser's books and records are stored. Stages Financial's updating amendment was due by March 30, 2019.
- 7. The Securities Division sent Respondents reminders by electronic mail, by regular mail, and by telephone to remind Respondents to file a balance sheet and the annual updating amendment. Nonetheless, Respondents have not responded to the reminders or otherwise submitted a year-end balance sheet or an annual updating amendment.

Based upon the Tentative Findings of Fact, the following Conclusions of Law are made:

CONCLUSIONS OF LAW

1. Respondent Stages Financial, LLC has willfully violated WAC 460-24A-060 by failing to file a 2018 fiscal year-end balance sheet. Such conduct is grounds for an order to suspend and revoke an investment adviser registration under RCW 21.20.110(1)(b).

- 2. Respondent Stages Financial, LLC has willfully violated WAC 460-24A-205 by failing to file an updating amendment to its Form ADV. Such conduct is grounds for an order to suspend and revoke an investment adviser registration under RCW 21.20.110(1)(b).
- 3. The willful violations of WAC 460-24A-060 and WAC 460-24A-205 each constitute a ground for the entry of an order imposing fines under RCW 21.20.110(1) and for charging costs under RCW 21.20.110(7).
- 4. Mark Christensen as the person who controls Stages Financial is responsible for its violations of WAC 460-24A-060 and WAC 460-24A-205. Such conduct is grounds for an order to suspend or revoke an investment adviser representative registration under RCW 21.20.110(6) imposing fines under RCW 21.20.110(1) and for charging costs under RCW 21.20.110(7).

EMERGENCY

The Securities Division has been unable to determine whether Stages Financial meets the minimum financial requirements for investment advisers or is providing investors with proper disclosure. Therefore, the Securities Administrator finds that an emergency exists, that the continued violations of WAC 460-24A-060 and WAC 460-24A-205 constitute a threat to the investing public, and a summary order suspending Stages Financial's investment adviser registration and Mark Christensen's investment adviser representative registration is in the public interest and necessary of the protection of the investing public.

NOTICE OF INTENT TO REVOKE REGISTRATION

Pursuant to RCW 21.20.110(1), and based upon the above Tentative Findings of Fact and Conclusions of Law, the Securities Administrator intends to enter an order revoking the investment adviser registration of Stages Financial, LLC and the investment adviser representative registration of Mark Christensen.

NOTICE OF INTENT TO IMPOSE FINES

Pursuant to RCW 21.20.110(1), and based upon the above Tentative Findings of Fact and Conclusions of Law, the Securities Administrator intend to order that Respondents each shall be liable for and shall pay a fine of at least \$1,000.

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NOTICE OF INTENT TO CHARGE COSTS

Pursuant to RCW 21.20.110(7), and based upon the above Tentative Findings of Fact and Conclusions of Law, the Securities Administrator intend to order that Respondents shall each be liable for and shall pay costs of at least \$200.

SUMMARY ORDER

Based upon the foregoing,

NOW, THEREFORE, IT IS HEREBY SUMMARILY ORDERED under the authority of RCW 21.20.110(1) and (3) that the investment adviser registration of Stages Financial, LLC and the investment adviser representative registration of Mark Christensen is suspended pending a final determination in this proceeding.

AUTHORITY AND PROCEDURE

This Order is entered pursuant to the provisions of chapter 21.20 RCW and is subject to the provisions of Chapter 34.05 RCW. The Respondents may make a written request for a hearing as set forth in the NOTICE OF OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR HEARING accompanying this Order. If a Respondent does not request a hearing in the allowed time, the Securities Administrator intends to adopt the above Tentative Findings of Fact and Conclusions of Law as final and enter an order revoking the Respondents' registrations and imposing the fine and charging the costs sought.

WILLFUL VIOLATION OF THIS ORDER IS A CRIMINAL OFFENSE.

DATED AND ENTERED THIS <u>3rd</u> day of June, 2019.

William M. Beatty Securities Administrator

SUMMARY ORDER TO SUSPEND REGISTRATION, NOTICE OF INTENT TO REVOKE REGISTRATION, TO IMPOSE A FINE, AND TO CHARGE COSTS

360-902-8760

Approved by:

Location

Approved by: Suzanne Sarason Chief of Enforcement

Presented by:

Kriskn-Standifor

Kristen Standifer Compliance Legal Examiner